

Response to Question regarding building more car parks on Auckland City Hospital site

4.1

Recommendation

That the Board receives this information with respect to the cost and payback period for building 500 further carparks on the Grafton site.

Prepared by: Rosalie Percival, Chief Financial Officer
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1. Purpose

The purpose of this paper is to answer the question raised with respect to cost and payback period for building a further 500 carparks on the Auckland City Hospital site.

2. Response to Question

It would be physically possible to build further car parking on the Grafton campus however this would be practically difficult and expensive with a very long payback period. The most practical and cheapest option to build a further 500 carparks on the Grafton campus would be to extend Carpark B by building another building linking into this carpark. The construction cost based on latest QS estimate is \$44m.

In addition to this cost there would be a need to relocate the renal dialysis unit to another site, probably Greenlane Clinical Centre. The payback calculation on just the construction cost alone and current carpark revenue levels would be between 35 and 38 years. Please refer to table below:

Payback Calculation for 500 Carparks

	Option 1	Option 2
Revenue	1,160,259	1,242,997
Construction Costs	43,935,000	43,935,000
Payback Period (in Years)	38	35

Notes:

- 1) Option (1) 20% (100 spaces) public and 80% (400 spaces) staff parking spaces
- 2) Option (2) 30% (150 spaces) public and 70% (350 spaces) staff parking spaces
- 3) Construction costs includes 35% contingency

Building 500 more carparks on the Grafton site would also lead to further on site congestion and securing capital funding to do this would be very difficult.

Current carparking rates would have to increase dramatically to a very high level to shorten the payback period to a more commercially acceptable payback.

Work is underway to develop the Sustainable Transport Strategy, this focuses on reducing demand and alternative transport and scheduling strategies. This will be brought back to Board by November.